



USAID
FROM THE AMERICAN PEOPLE

BOSNIA-HERZEGOVINA

QUARTERLY NEWSLETTER

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Food Safety Takes Step Forward

New techniques help farmers improve quality of domestic milk

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Tea Festival Attracts Thousands

Tea and herbs becoming big business for BiH producers

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Election Promises Must Be Kept

Citizens group to monitor how well parties keep campaign commitments

Once the frenzy of the election campaigns are over, many politicians think it's time to relax. That wouldn't be a good idea in BiH this year. A coalition of 250 local NGOs has vowed to closely monitor and report on whether politicians are keeping their campaign promises.

In an astonishing show of solidarity, 25 percent of registered voters in the Federation and RS signed a petition asking political parties to focus on 12 bread and butter issues that contain no mention of constituent peoples or national boundaries. Instead, the "Citizen's Platform for the 2006 Elections" asked parties to commit to goals such as creating 150,000 new jobs, setting the minimum pension at 250 KM, and doubling the amount of foreign investment. (See page 4 for the full list.)

To develop the platform, the 250 local NGOs known as GROZD--Civic Organizing for Democracy--polled citizens in 130 municipalities on what they saw as the country's most burning issues. The results were combined

into a Citizen's Platform that GROZD sent to all BiH political parties. Thirty-six parties committed to support the platform.

GROZD representative Adis Arapovic says adopting the platform showed which "parties want to resolve actual problems and not some imagined politicized issues."

But signing the petition is not the end. Now comes the true test. GROZD will monitor and report back to BiH citizens on how well the parties do at keeping their promises. Stay tuned...



Samir Ceramida (Cera I) signs the GROZD petition



BiH Milk Becomes Healthier & Safer

Is the food produced and consumed in BiH safe? That's a question many people are asking after recent inquiries by the Center for Investigative Reporting (CIN) found that lack of proper monitoring results in some foodstuffs being contaminated.

Fortunately, contamination is becoming less prevalent in the milk sector thanks to the efforts of USAID's Linking Agriculture Markets to Producers (LAMP) project. USAID's dairy training program is helping farmers in the Banja Luka, Tuzla and Mostar areas to boost the quality and safety of their milk through practices that improve feeding,

milking and hygiene. To date, USAID has conducted over 500 trainings for 6,000 farmers in BiH.

"Farmers are starting to realize that healthy milk can be produced only from well treated and healthy animals reared in a clean and healthy environment."

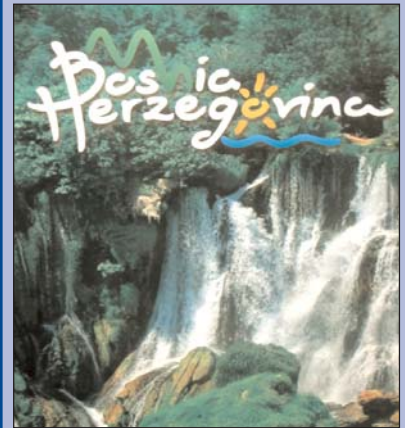
—Mladen Sladoje, Agriculture Extension Agent, Kalinovik

USAID also sponsored a study tour for farmers to Germany to learn about milk testing. Farmers now send milk sam-

BiH Promotion

New Logo Boosts Country's Image

Bosnia-Herzegovina got an updated look recently with the unveiling of the country's new logo. The logo will be used in promotional and advertising materials—including ads broadcast on international TV networks—as well



as by the country's embassies abroad to create a recognizable identity. Similar logos have already been adopted in other European countries such as Spain, Turkey, Italy, Greece and neighboring Croatia.

ples to a local lab for monthly testing, thus ensuring their product is free from harmful bacteria and microbes. Meanwhile, USAID is encouraging the major milk companies to pay more for higher quality milk in order to get local dairymen to adopt new practices.

USAID is also working with the government to improve milk quality regulations to conform to EU standards. Efforts include working with the Federation and RS Agriculture Ministries to pass legislation and improve quality controls. Without high quality raw milk, domestic dairies will continue to lose market share to foreign competitors.

NEWS IN BRIEF ♦ NEWS IN BRIEF ♦ NEWS IN BRIEF ♦ NEWS IN BRIEF

♦BiH political parties have fulfilled only seven percent of their promises since the 2002 general elections. That's the finding of USAID's Civic Advocacy Partnership Program (CAPP), which conducted research throughout the country. Seventy-five percent of commitments were either partially fulfilled or not fulfilled at all.

♦With USAID support, the BiH Bankers

Association opened the first ever Auction Center in the Balkans for the sale of loan collateral. The center will store the seized goods and organize regularly scheduled auctions. The existence of one location will help courts establish a regular and predictable system of judicial auctions. The center will also enable the banking community and debtors to obtain higher prices from the sale of

seized goods.

♦As part of USAID's activity to streamline permits and inspections, the RS government has identified regulations that burden business start-ups and discourage foreign investment. The RS plans to eliminate 29% and modify 43% of 351 current formalities to decrease administrative obstacles to businesses and create a better economic environment.

BIH BECOMING LEADER IN HERBAL PLANT SECTOR

Eighty firms host trade booths at 4th annual tea and herb festival in Sarajevo

Visitors to BiH learn quickly that its citizens are great fans of herbal remedies. In fact over

100,000 families throughout the country collect and grow herbal plants. That's one reason why the

Annual International Festival of Tea and Medicinal Herbs, or "Tea-fest" is fast developing a reputation as the place to make contacts and do business in the sector.

This year, 11 of the participants reported sales of over KM 80,000 as a direct result of their presence at the festival. Promocult, the organizer, estimates that many more participants sold their products and created



Customers look over the products at Fourth Annual International Festival of Tea and Medicinal Herbs held in Sarajevo



USAID Deputy Director Jane Nandy (center) helps open Tea-fest

business linkages as well. For example, the company Neven from Rudo says it sells the majority of its products during the festival.

RECREATION



BiH tourism is getting another boost with a project to clean and map hiking trails on five mountains across Northwest BiH. The project will provide 200 kilometers of clean and marked trails on Plješevica, Osjecenica, Klekovaca, Kozara and Manjaca Mountains.

LABOR



USAID has committed \$13.5 million to make it easier for businesses to comply with social contribution regulations, shorten the time it takes to resolve labor disputes, and enable workers to change jobs or work for more than one employer. The project is called Enabling Labor Mobility (ELMO).

TAX REFORM



USAID's new \$13 million Tax Reform Activity (TARA) will aid in the reform of direct taxation in BiH. The project aims to broaden the taxpayer base in order to lower taxes for all; eliminate nuisance taxes on businesses; create a market value-based system of real estate taxation; and conform to EU norms.



Outgoing Mission Director Howard Sumka passes the baton to the Mission's new Director Jane Nandy

GROZD's Citizen Platform for the 2006 Elections

Through its nationwide network of NGOs, GROZD asked citizens in 130 municipalities to name their most burning issues. Their answers form the basis of the GROZD platform below. To find out which political parties have adopted the platform, go to GROZD's website at www.grozd.ba.

1. To create 150,000 new jobs
2. To eliminate extreme poverty
3. To raise the minimum pension to 250 KM
4. To secure basic health and social care for every citizen of BiH
5. To secure a decent life in rural areas
6. To guarantee equal opportunities for youth



7. To reduce administrative costs
8. To complete the education reform
9. To reduce corruption
10. To fulfill the preconditions for gaining the status of candidate for EU membership
11. To better regulate public companies with more effective services
12. To double the amount of foreign investment in BiH

USAID Mission Director Says Fond Goodbye to BiH

Since coming to Bosnia-Herzegovina in 2002, USAID's Mission Director Howard Sumka has worked tirelessly toward improving the lives of ordinary BiH citizens.

During his four years in Sarajevo, Sumka achieved success in a number of areas that make BiH a better, more stable place to live. For example, USAID's work with the banking sector has helped it to become the most professionally-run segment of the BiH economy.

Through the Linking Agriculture Markets to Producers (LAMP) project, thousands of farmers are gaining competitiveness. This provides opportunities in depressed, rural areas where hope is sorely needed. Sumka also worked hard to install modern treasury systems, making it nearly impossible for politicians to

spend money for off-budget items. Additionally, USAID's court reforms have reduced case backlogs, helped fight corruption and increased transparency.

"The U.S. Government, through USAID, will continue to assist BiH on its way to European integration. As for me, I leave many friends here, but at the same time, I am looking forward to new challenges."

--Howard Sumka, USAID/BiH Mission Director

Sumka will take over a new position as the Director of the USAID Mission in Gaza and West Bank. USAID is pleased to announce that his position at USAID/BiH will be filled by the Mission's former Deputy Director, Jane Nandy.

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